Fisheries and Oceans Canada | Pêches et Océans Canada

Departmental Performance Report

For the period ending March 31, 2010

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Minister's Message

As Minister of Fisheries and Oceans, I am pleased to present to Parliament and Canadians the 2009-10 Departmental Performance Report for Fisheries and Oceans Canada (DFO).

DFO and the Canadian Coast Guard (CCG), a Special Operating Agency within DFO, use sound management practices and science-based decision-making to provide services and benefits to Canadians through three strategic outcomes: Safe and Accessible Waterways, Sustainable Fisheries and Aquaculture, and Healthy and Productive Aquatic Ecosystems.

In 2009-10, DFO focused on a number of important areas, including the following, to achieve these three outcomes.

Delivering on Projects under the Economic Action Plan
Under Canada's Economic Action Plan, we have been making strategic investments that create jobs and help revitalize communities.

With a two-year, $175 million commitment, we are modernizing CCG's fleet by procuring 68 new small vessels and 30 environmental barges, and performing repair work on 40 aging large vessels.

We are investing $200 million over two years to accelerate the maintenance and repair of fishing harbours across Canada, with work either completed or under way in many coastal areas. In addition, we are investing $17 million to accelerate the construction of a commercial fishing harbour in Pangnirtung, Nunavut, to boost the viability of the Northern fishery.

We are investing $37 million over two years to modernize DFO's laboratories and science facilities and $65 million to help the lobster fishery weather short-term challenges and to thrive in the future.

Improving the Economic Viability of Canada's Fisheries
We are working closely with industry stakeholders to help them obtain the certification needed to expand access to markets at home and abroad. I am pleased to report that in December 2009, DFO opened its first Catch Certification Office to support Canadian exports of fish and seafood products affected by European Union regulatory requirements. I also visited China last year to promote Canadian seal products and seafood to the world's largest consumer of fish and seafood.

Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River
In November 2009, the Government of Canada took action to address the low returns of sockeye salmon to the Fraser River by establishing the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River. DFO recognizes the importance of this iconic species to all sectors of the fishery, the British Columbia economy, and all Canadians, and has been working to fully support the Commission and its efforts.

Improving the Health of the Oceans
The Government of Canada has completed the third year of a five-year multi-departmental commitment to protect sensitive areas, control ocean pollution, and ensure collaborative oceans management.

As we look to the future, we will continue to consult with stakeholders, using science and the public interest as the foundation of our work and our decision-making. The world around us is constantly changing, and DFO is adapting to deliver excellent results for Canadians every step of the way.

The Honourable Gail Shea, P.C., M.P.
Minister of Fisheries and Oceans

Section 1 — Departmental Overview

Raison d'être

Fisheries and Oceans Canada (DFO) plays the lead role in managing Canada's fisheries and safeguarding its waters, ensuring safe, healthy, and productive waters and aquatic ecosystems for the benefit of present and future generations. The Department's work is built around three strategic outcomes:

Safe and Accessible Waterways

- Providing access to Canadian waterways and ensuring the overall safety and integrity of Canada's marine infrastructure for the benefit of all Canadians;

Sustainable Fisheries and Aquaculture

- Delivering an integrated fisheries and aquaculture program that is credible, science-based, affordable, and effective and contributes to sustainable wealth for Canadians while respecting Aboriginal and treaty rights; and

Healthy and Productive Aquatic Ecosystems

- Ensuring the sustainable development and integrated management of resources in or around Canada's aquatic environment and carrying out critical science and fisheries management activities.

Mandate

DFO is responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social, and economic interests in oceans and fresh waters.

The Canadian Coast Guard (CCG), a Special Operating Agency within DFO, is responsible for services and programs that contribute to the safety, security, and accessibility of Canada's waterways. CCG supports other government organizations through the provision of a civilian fleet and a broadly distributed shore-based infrastructure.

The *Oceans Act* entrusts the Minister with leading integrated oceans management and providing coast guard and hydrographic services, while the *Fisheries Act* gives the Minister responsibility for the management of fisheries, habitat, and aquaculture. The *Species at Risk Act* gives the Minister responsibilities associated with the management of aquatic species at risk.

Our Vision

Excellence in service to Canadians
to ensure
the sustainable development
and safe use
of Canadian waters

Organization

Fisheries and Oceans Canada is a highly decentralized department, with more than eight of every ten employees working outside national headquarters in one of its six regions. National objectives, policies, procedures, and standards for the Department and CCG are established at national headquarters, in Ottawa. Regions are responsible for delivering programs and activities in accordance with national and regional priorities and within national performance parameters.

Information about DFO's regions and the Canadian Coast Guard is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm. A diagram of DFO's organizational structure is available at http://www.dfo-mpo.gc.ca/us-nous/organisation-eng.htm.

Operating Environment

Canada is a maritime nation, with three oceans bordering its coastline (the world's longest) and lakes and rivers that make up the world's largest freshwater ecosystem. Together, the country's aquatic resources offer countless economic, cultural, social, and environmental benefits to Canadians.

DFO is responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social, and economic interests in these aquatic resources. In so doing, DFO must strike a balance between environmental stewardship and economic prosperity while recognizing the interests of various stakeholders and complex ecological factors.

Today, both fundamental long-term changes and recent events are creating challenges and opportunities for DFO and its clients/stakeholders.

On the economic front, the recent recession has driven down prices and global demand for fish and seafood. The high Canadian dollar and higher input costs have increased pressure on the sector, and the profits of commercial fishers have declined dramatically. Competition from the fisheries of developing countries is also becoming more intense.

International markets are increasing their demands for proof that fish and seafood were caught in a legal and sustainable manner. In fact, Canadian products risk being shut out of markets if they are unable to meet rising expectations for sustainability, quality, and food safety. Environmental organizations are focusing more and more on the marine environment, and DFO's management practices in this area are undergoing greater scrutiny.

Social changes are further affecting the fishing sector. Significant demographic shifts are occurring in traditional fishing communities, with younger generations turning away from fishing and toward industries not found in coastal communities. This is hollowing out such communities and creating additional challenges for those who remain in the sector.

The changing environment is providing both challenges and opportunities for the management of Canada's aquatic resources. On the one hand, our natural assets are being put at risk by ocean acidification and warming waters; pollution from development, spills, and accidents; and the growing number of aquatic invasive species. On the other hand, the extraction of new natural resources, the development of Aboriginal and commercial fisheries, and the growth of the tourism industry are all increasing our economic potential, especially in the North.

Although managing wild commercial fisheries has been the Department's traditional focus, aquaculture now accounts for one-third of the total value of Canada's marine harvest. Other marine industries are developing, ecotourism and recreational fisheries are growing, and the ocean economy is broadening as ocean technologies advance. The future may bring new economic opportunities to fisheries communities, but it may also bring greater demand for access to ocean resources for offshore oil and gas exploration, renewable offshore energy, and marine transportation activities.

Summary of Financial and Human Resources

Financial Resources for 2009-10 ($ millions)

Planned Spending	Total Authorities	Actual Spending
1,858.9	2,049.0	1,981.2

Human Resources for 2009-10 (Full-time Equivalents (FTEs))

Planned	Actual	Variance
10,808	11,030	222

Program Activity Architecture

The Government of Canada's Management, Resources and Results Structure (MRRS) is the foundation of a common, government-wide approach to the collection, management, and reporting of financial and non-financial information. DFO's Program Activity Architecture (PAA) is a component of its MRRS. The PAA shows how DFO's programs align with the Department's three strategic outcomes. Each Program Activity within a Strategic Outcome is linked to a single Government of Canada Outcome Area, permitting whole-of-government reporting. The PAA also includes a standalone Program Activity called *Internal Services*, defined as the activities and resources that support an organization's program needs and other corporate obligations. For more information on DFO's Internal Services, see page 38.

Planning Summary by Strategic Outcome[1]

Safe and Accessible Waterways	Strategic Outcome

Performance Indicator	Target	Summary of Performance
Public's confidence of the safety and security of marine travel in Canada	90%	▪ This result was to be derived from a Transport Canada survey of public opinion. However, because of a moratorium on syndicated studies pending centralized negotiations between Public Works and Government Services Canada and private-sector contractors, CCG was not able to evaluate its 2009-10 performance on this expected result.

($ millions)

Program Activity	Alignment to Government of Canada Outcome Area	2008-09	2009-10			
		Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Canadian Coast Guard	Safe and secure Canada	709.6	585.0	701.1	734.2	736.1
Small Craft Harbours	Strong economic growth	119.8	92.8	192.8	216.9	221.0
Science for Safe and Accessible Waterways	Innovative and knowledge-based economy	52.0	35.3	35.3	40.5	40.2
Total		**881.3**	**713.1**	**929.2**	**991.6**	**997.4**

Note: Because of rounding, figures may not add to the totals shown.

Sustainable Fisheries and Aquaculture	Strategic Outcome

Performance Indicator	Target	Summary of Performance
Year over year improvement in management and conservation of major stocks to support sustainable fisheries, as evidenced in growth of the sustainability index (baseline 5.4 out of 10)	4%	▪ Sustainability index: 5.4 (data is from 2008-09, as 2009-10 data has not yet been compiled).

($ millions)

Program Activity	Alignment to Government of Canada Outcome Area	2008-09	2009-10			
		Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Fisheries and Aquaculture Management	Strong economic growth	409.1	330.4	331.6	366.2	339.6
Science for Sustainable Fisheries and Aquaculture	Innovative and knowledge-based economy	225.6	139.7	139.7	150.2	134.9
Total		**634.8**	**470.1**	**471.3**	**516.4**	**474.5**

Note: Because of rounding, figures may not add to the totals shown.

[1] Starting in 2009-10, resources for the Internal Services Program Activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This means that information on spending and FTEs by Program Activity is not directly comparable across fiscal years.

Healthy and Productive Aquatic Ecosystems

Strategic Outcome

Performance Indicator	Target	Summary of Performance
Number of policies developed and implemented that serve the public interest via the sustainable development of Canada's oceans and freshwater resources	18 Habitat policies 5 Species at Risk policies	▪ 18 Habitat policies ▪ 5 Species at Risk policies (Species at Risk policy suite) were posted on the *Species at Risk Act* Public Registry in December 2009 for the purposes of consultation with stakeholders and the public
Number of programs in place that serve the public interest via the sustainable development of Canada's oceans and freshwater resources	8 Habitat programs 3 Oceans programs 1 Species at Risk program	▪ 8 Habitat program2 ▪ 3 Oceans programs ▪ 1 Species at Risk program
Number of formal partnership arrangements established that serve the public interest via the management of human activities in and around aquatic ecosystems	18 national-level partnerships on the management of fish habitat 1 Oceans management partnership 4 Species at Risk management partnerships	▪ 9 partnerships on management of fish habitat ▪ 1 Oceans management partnership ▪ 0 Species at Risk management partnerships

($ millions)

Program Activity	Alignment to Government of Canada Outcome Area	2008-09	2009-10			
		Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Oceans Management	Clean and healthy environment	21.1	16.4	16.4	17.4	15.8
Habitat Management	Clean and healthy environment	124.2	57.7	57.7	65.0	62.0
Species at Risk Management	Clean and healthy environment	n/a	16.9	16.9	18.6	21.8
Science for Healthy and Productive Aquatic Ecosystems	Innovative and knowledge-based economy	86.2	55.4	55.4	61.4	60.9
Total		**231.4**	**146.4**	**146.4**	**162.3**	**160.6**

Note: Because of rounding, figures may not add to the totals shown.

($ millions)

	2008-09	2009-10			
	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Safe and Accessible Waterways	881.3	713.1	929.2	991.6	997.4
Sustainable Fisheries and Aquaculture	634.8	470.1	471.3	516.4	474.5
Healthy and Productive Aquatic Ecosystems	231.4	146.4	146.4	162.3	160.6
Internal Services	n/a[2]	311.9	311.9	378.8	348.8
Total Departmental Spending	**1,747.5**	**1,641.5**	**1,858.9**	**2,049.0**	**1,981.2**

Note: Because of rounding, figures may not add to the totals shown.

[2] Financial resources for Internal Services were prorated across program activities in 2008-09.

Departmental Priorities

DFO focused on a number of operational and management priorities in 2009-10. Descriptions for each of the priorities and the key plans for 2009-10 can be found in the *2009-10 Report on Plans and Priorities*.[3] Each priority has been assigned an overall performance rating based on the following:

If this percentage of expected performance is achieved...	The performance rating is defined as...	The performance rating is shown graphically as...
More than 100%	Exceeded	★★★
100%	Met All	☑☑☑
80 to 99%	Mostly Met	☑☑☐
60 to 79%	Somewhat Met	☑☐☐
Less than 60%	Not Met	☐☐☐

Contribution of Operational Priorities to Strategic Outcomes

Fisheries Renewal **Performance Rating:** ☑☑☐

Contributing to...

- Sustainable Fisheries and Aquaculture — Ongoing

Key Accomplishments

- Introduced the Atlantic Lobster Sustainability Measures program, and developed and implemented the Short-term Transitional Measures program.
- Supported the development of a new Lobster Council of Canada.
- Initiated a process for reforming the national licensing policy.
- Improved fishers' access to capital.
- Developed a transparent process for stabilizing sharing arrangements.
- Developed and initiated pilots of the Consultation Management Tool, which facilitates internal and external consultation.
- Improved the Fisheries Checklist template and analyzed the data for approximately 120 commercial fish stocks to determine sustainability.
- Developed working groups on many levels to actively engage stakeholders in discussion and policy development.
- Worked with the Habitat Management Program to revise the National Habitat Compliance Protocol.
- Developed and delivered training on a new risk-based Habitat Compliance Decision Framework.

Northern Strategy **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — Previously committed to

Key Accomplishments

- Received Preliminary Project Approval for a new polar icebreaker from Treasury Board in June 2009, completed an assessment of procurement options, and started preliminary conceptual design work. The project remains on schedule.
- Started to build a small craft harbour in Pangnirtung, Nunavut.
- Started to develop a strategic approach to hiring in the North.
- Collected about 75% of the total planned data for Canada's submission to the United Nations Commission on the Limits of the Continental Shelf, which must be made in 2013. Data collection in the Arctic has been more complicated and time consuming than anticipated, largely because of weather and changing and unstable ice conditions.
- Contributed to the process of establishing a world-class Arctic research facility.
- Provided input to Indian and Northern Affairs Canada on its plans to accelerate the review of resource projects in the North.
- Provided input into the drafting of the proposed *Nunavut Project Planning and Assessment Act*. The legislation is a requirement of the Nunavut Land Claims Agreement and would create additional certainty about regulatory processes in the Territory.
- Completed field-based research on the impacts of climate variability and change on Arctic marine ecosystems.

[3] http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/dfo/dfo00-eng.asp

International Agenda **Performance Rating:** ☑☑☑

Contributing to...

- Sustainable Fisheries and Aquaculture
- Healthy and Productive Aquatic Ecosystems — Ongoing

Key Accomplishments

- Ratified an amended Convention for the Northwest Atlantic Fisheries Organization (NAFO), which will enable improved fisheries-management decision-making when it comes into force. Departmental scientists also led the assessment of over half of all fisheries stocks managed by NAFO.
- Played a leadership role at the Food and Agriculture Organization of the United Nations (FAO) in adopting a legally binding instrument to set a global standard for port state measures to prevent, deter, and eliminate illegal, unreported, and unregulated fishing globally.
- Co-led the development of the Arctic Marine Shipping Assessment, endorsed by Arctic Council Ministers.
- Contributed to the development of policy/legal options for the potential regulation of ocean fertilization activities under the auspices of the London Convention/London Protocol of the International Maritime Organization.
- Successfully promoted improved science-based decisions in various organizations and bilateral treaties, including in NAFO, where 11 areas with coral and sponge concentrations were closed to all bottom-fishing activities.

Health of the Oceans **Performance Rating:** ☑☑☑

Contributing to...

- Healthy and Productive Aquatic Ecosystems — Previously committed to

Key Accomplishments

- Broadened the engagement of Oceans Centres of Expertise with the academic community.
- Completed *Status Report on Coral and Sponge Conservation in Canada*, as well as three initial reports on the State of the Oceans.
- Drafted a policy framework for Canada's national network of Marine Protected Areas (MPAs) and submitted the framework to the Oceans Task Group for review/approval.
- Completed a national inventory of federal/provincial/territorial MPAs.
- Provided a sound scientific footing for a number of Health of the Oceans initiatives: MPA designation and monitoring, MPA network design, state of the oceans reporting, etc.
- Continued to make progress on the Coast Guard Arctic Response Strategy for improving the capacity to respond to oil spills.
- Provided input on Integrated Management Plans and MPAs as they affect fish and fish habitat.

Canadian Coast Guard Rejuvenation **Performance Rating:** ☑☑☐

Contributing to...

- Safe and Accessible Waterways — Ongoing

Key Accomplishments

- Started to implement ongoing client-engagement strategies in all programs.
- Signed Service Level Agreements with internal DFO clients.
- Accepted delivery of a Near-shore Fishery Research Vessel and 30 small craft.
- Awarded contracts for the construction of nine Mid-shore Patrol Vessels, five 47-foot Search and Rescue Motor Lifeboats, two 22-metre Near-shore Fishery Research Vessels, one 25-metre Near-shore Fishery Research Vessel, and 30 replacement Environmental Response Barges.
- Modernized three aids to navigation directives.
- Completed vessel condition assessments and initiated the development of the Vessel Continuous Condition Survey Program.
- Dedicated the *Mamilossa*, a heavy and powerful amphibious hovercraft, in July 2009.
- Launched the Standard Organization and the three-year transition phase.
- Finalized and distributed the CCG Learning Framework and promoted learning plans to all employees and managers.

Science Renewal **Performance Rating:** ☑☑☐

Contributing to...

- All Strategic Outcomes — Ongoing

Key Accomplishments

- Completed and began implementation of the Fisheries and Oceans International Science Strategy[1].
- Continued to implement various initiatives associated with the renewal of the Science Program.
- Initiated a performance measurement strategy for the renewal of the Science Program.

[1] http://www.dfo-mpo.gc.ca/science/publications/intss-ssint/index-eng.html

Sustainable Aquaculture **Performance Rating:** ☑☑☑

Contributing to...

- Sustainable Fisheries and Aquaculture — Ongoing

Key Accomplishments

- Developed draft regulations under the *Fisheries Act* for the management of aquaculture in British Columbia following a decision of the British Columbia Supreme Court. This necessitated a delay in developing a renewed and collaborative environmental management regime for aquaculture.
- Drafted Five-Year National Strategic Action Plans for three industry sub-sectors (East Coast Marine Finfish, East Coast Shellfish, and Fresh Water).
- Funded 67 commercialization projects to address the issues of sustainable production, diversification, and market access.
- Funded 33 projects to conduct research in three critical areas, as well as eight projects to support regulatory development for the aquaculture sector.
- Developed a process for reporting aquaculture sustainability.
- Identified opportunities to consolidate regulatory requirements that will reduce administrative burdens.

Small Craft Harbours **Performance Rating:** ☑☑☐

Contributing to...

- Safe and Accessible Waterways
- Sustainable Fisheries and Aquaculture — Previously committed to

Key Accomplishments

- Completed Year 2 and developed a plan for Year 3 of the four-year Divestiture of Non-core Harbours Program. This program will reduce the number of harbours in the Small Craft Harbours inventory, thereby allowing available funding to focus on core fishing harbours.
- Examined options to improve the sustainability of harbours in consultation with the National Harbour Authority Advisory Committee.
- Improved the physical and operating conditions of harbours by implementing Year 1 of Canada's two-year Economic Action Plan initiative for the repair and maintenance of core fishing harbours.
- Developed an Inspection and Maintenance Program for Harbour Authorities, thereby contributing to the sustainability of the harbours they manage.

Market Access **Performance Rating:** ☑☑☐

Contributing to...

- Sustainable Fisheries and Aquaculture — New

Key Accomplishments

- Helped industry meet international and domestic traceability demands.
- Began drafting a National Traceability Strategy and integrated traceability framework.
- Established the Catch Certification Office in November 2009 to respond to the European Union's Regulation on Illegal, Unreported and Unregulated Fishing. The Catch Certification Office is currently servicing over 200 industry clients (primarily fish and seafood exporters) from across Canada.
- Redesigned the Canadian Shellfish Sanitation Program to address food safety concerns that could affect market access.

Contribution of Management Priorities to Strategic Outcomes

Human Resources Modernization **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — Ongoing

Key Accomplishments

- Achieved 36% linkage of positions to model work descriptions versus 29% last year.
- Implemented Fast Track Staffing for six low-risk staffing transactions in three regions.
- Broadened the use and sharing of pools in each region.
- Implemented direct access to Public Service Commission job postings for the Department.
- Requested that managers include employment equity elements when preparing their human resources plans.
- Added tools related to identifying learning needs and managing performance to the Manager's Toolkit.
- Obtained a 94% compliance rate on provision of bilingual service to the public in designated offices of DFO and CCG.
- Convened six labour relations symposia at the regional and national level involving about 250 senior managers and union leaders.

Information Management and Information for Decision-making **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — Previously committed to

Key Accomplishments

- Received Departmental Management Committee approval of the departmental Information Management Strategy.
- Completed software upgrade and data migration of the Records, Documents and Information Management System.
- Consolidated all records offices, libraries, and information management functions into national services.
- Expanded enterprise-wide subscriptions to scientific and business journals through the consolidation of library services.
- Completed and implemented the consolidation of regional Information Technology (IT) Service Management call centres into a national service.

Asset Management **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — Previously committed to

Key Accomplishments

- Received Deputy Minister approval of the *Effective Project Approval Document* for the Real Property Information Management System project.
- Finalized the Real Property Management Framework in June 2009.

Security and Business Continuity **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — New

Key Accomplishments

- Updated training material on security awareness, including the development of an online training and awareness tool, and deployed the material nationally.
- Approved and published various security standards (including IT security standards, guidelines, and guides) on DFO's intranet.
- Performed ongoing vulnerability assessments of IT assets.
- Conducted an IT services table-top exercise for disaster recovery.
- Conducted an H1N1-related table-top exercise for the Departmental Management Committee.
- Implemented intrusion-detection/intrusion-prevention systems for Class A Data Centres.
- Implemented internal intrusion-detection/intrusion-prevention systems to limit the propagation of internal threats.
- Completed a departmental harmonized threat and risk assessment.
- Refreshed the 2009 assessment of mission-critical functions and identified IT dependencies related to mission-critical functions (Category A).
- Developed a continuity plan for Information Management and Technology Services to restore mission-critical functions (Category A).
- Developed personal learning plans for security practitioners and IT Security Branch staff.

Partnering and Collaboration **Performance Rating:** ☑☑☑

Contributing to...

- All Strategic Outcomes — New

Key Accomplishments

- Inventoried and reviewed all collaborative arrangements with provinces and territories.
- Continued consultations and information sessions with provinces and territories to explain changes to the federal regulatory process.
- Identified impediments to the most effective collaboration with provinces and territories.

Integrated Risk Management

In 2009-10, DFO made considerable progress on embedding integrated risk management (IRM) in its business practices and on better addressing key corporate risks. The Corporate Risk Profile was approved for the first time by the Departmental Management Committee (DMC); DMC also approved a series of foundational documents to formalize IRM governance, processes, policies, and organizational arrangements in a manner compatible with central agency guidelines and international standards.

Key Risk	Risk Mitigation Measures	Link to Departmental Priorities
Human Capital DFO may be unable to attract, develop, and retain sufficiently qualified human resources to deliver on its mandate.	DFO will equip managers to fully address human capital risks affecting their delivery of policies and programs in support of DFO's mandate by identifying gaps in the recruitment, development, promotion, and retention of employees and ensuring access to appropriate guidance and tools.	▪ Human Resources Modernization ▪ Information Management and Information for Decision-making
Information for Decision-making Sufficient and appropriate information may not be available on a timely basis to support decision-making.	DFO will use an Information Management Strategic Plan to implement an enterprise approach to information management and will improve the management of information across the Department.	▪ Information Management and Information for Decision-making ▪ Asset Management
Organizational Adaptability DFO may be unable to effectively adapt to emerging priorities, directions, and environmental conditions.	DFO will monitor and assess strategies developed by sectors to address emerging priorities and directions and continue to bolster its planning activities and regional committee work.	▪ All Departmental Priorities
Internal Alignment Activities, accountabilities, and resources within DFO may not be optimally aligned to meet objectives.	DFO will continue to use a risk-based process that analyzes departmental funding pressures, activities, and accountabilities to better align resources and priorities.	▪ All Departmental Priorities
Physical Infrastructure DFO may be unable to invest in or maintain the infrastructure necessary to achieve its objectives.	DFO will establish senior management accountabilities for asset management and develop a system to provide comprehensive and integrated information on assets to ensure that DFO's physical infrastructure is maintained.	▪ Canadian Coast Guard Rejuvenation ▪ Asset Management
Stakeholder Expectations DFO may be unable to manage expectations and maintain the confidence of stakeholder groups, the public, media, and elected officials.	DFO will assess communications and consultation mechanisms, as well as outreach efforts. DFO will assess learning and training strategies to foster more consistent core messages on priorities and strategic directions.	▪ Fisheries Renewal ▪ Market Access ▪ Information Management and Information for Decision-making ▪ International Agenda
Partnering and Collaboration DFO may be unable to create and sustain effective partnerships, or there will be failures on the part of third parties on which DFO relies.	DFO has begun to review and assess all the collaborative arrangements it has with organizations.	▪ Northern Strategy ▪ Fisheries Renewal ▪ Market Access ▪ Information Management and Information for Decision-making ▪ Health of the Oceans
Legal and Compliance DFO may be successfully challenged before the courts, resulting in either significant financial liability or negative effects on DFO's legislative or regulatory authorities, and DFO may not be able to ensure public compliance with its legislation and regulations.	DFO will develop and assess a complete, department-wide inventory of key mitigation measures for this risk.	▪ Sustainable Aquaculture

To identify, prioritize, and mitigate risks associated with initiatives under the Economic Action Plan, DFO developed and implemented a Risk Management Framework. This is an important tool for monitoring and reporting progress on mitigation measures to DMC.

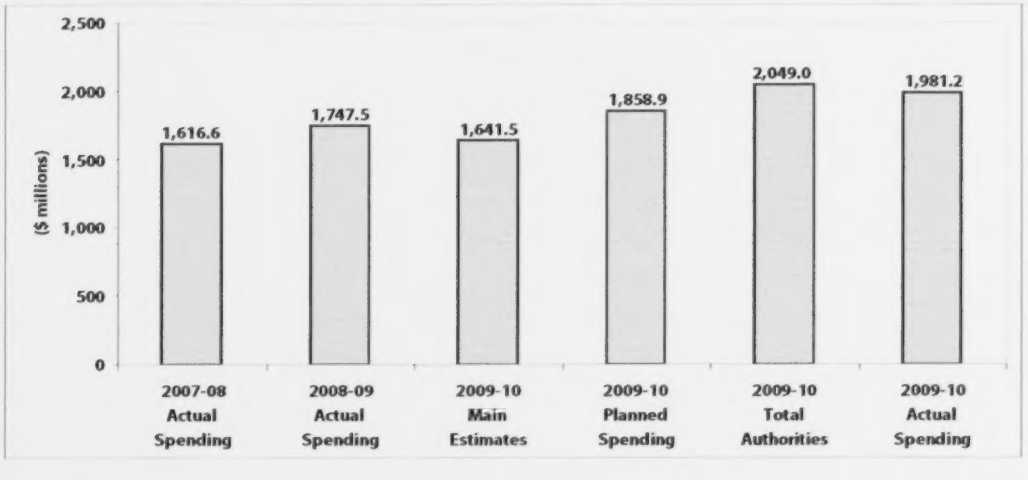
Expenditure Profile

Voted and Statutory Items

($ thousands)

Vote/ Statutory Item	Vote/Statutory Wording	2007-08 Actual Spending	2008-09 Actual Spending	2009-10	
				Main Estimates	Actual Spending
1	Operating expenditures	1,210,815	1,278,302	1,167,689	1,312,645
5	Capital expenditures	211,207	249,382	242,667	414,830
10	Grants and contributions	73,368	94,614	110,637	111,780
(S)	Minister of Fisheries and Oceans Canada salary and motor car allowance	74	77	78	78
(S)	Contributions to employee benefit plans	118,078	122,577	120,446	137,790
(S)	Spending of proceeds from the disposal of surplus Crown assets	3,079	2,590	—	2,478
(S)	Other statutory items	12	4	—	1,637
	Total - Fisheries and Oceans Canada	**1,616,633**	**1,747,5465**	**1,641,516**	**1,981,237**

Departmental Spending Trend



Financial Analysis

The Department's total actual spending for 2009-10 was $1,981.2 million. Spending generally increased between 2004-05 and 2009-10.

Planned Spending to Total Authorities: From $1,858.9 Million to $2,049.0 Million

Planned spending for 2009-10 was $1,858.9 million, whereas the Total Authorities for the Department are $2,049.0 million, representing a change of $190.1 million. The increase is primarily due to:

- $63.7 million for salary expenditures related to approved collective agreements and other associated benefits;
- $42.7 million in net additional funding for items such as financial support for Quebec and Atlantic lobster harvesters, assessment, management and remediation of Federal Contaminated Sites, the design phase of Canadian Coast Guard mid-shore patrol vessels, policing and security

at the 2010 Olympic and Paralympic Winter Games, and support for continuing negotiations of land claims and First Nations' self-government in British Columbia;
- $35.4 million from deferred spending carried forward from 2008-09 for the operating budget carry forward ($26.4 million), and the Canadian Coast Guard special non-lapsing capital carry forward ($9 million);
- $26.1 million for Economic Action Plan initiatives led by other government departments for items such as modernizing federal laboratories, environmental assessments for the Mackenzie Gas Project, and accelerated remediation of federal contaminated sites;
- $19.0 million for statutory adjustments; and
- $3.2 million related to the sale of Crown assets.

Total Authorities to Actual Spending: From $2,049.0 Million to $1,981.2 Million

The difference of $67.8 million is largely explained by:

Funds not spent:

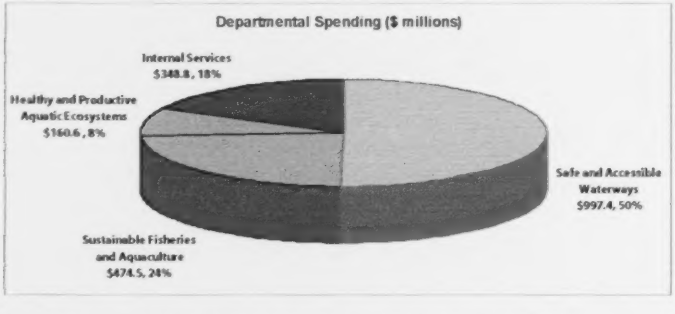
- $45.9 million in operating, capital, and grants and contributions spending that was deferred and carried forward to future years for such initiatives as the Pacific Integrated Commercial Fisheries Initiative, the Atlantic Lobster Sustainability Measures program, the operating budget carry forward, and the Canadian Coast Guard special non-lapsing capital carry forward.
- $7.1 million in lapsing appropriations primarily due to an amount frozen to offset a forecast shortfall in revenue.
- $5.1 million in employee benefit premiums that are charged when funds are transferred from operating expenditures to cover salary costs.
- $1.6 million to refund previous years' revenue.
- $11.0 million in general lapses – that is, funds the Department did not spend. These include items such as $1.6 million in operating and capital funds that are not eligible to be carried forward to future years and lower than expected interest in available grants and contributions funding for the Pacific Integrated Commercial Fisheries Initiative and the Atlantic Lobster Sustainability Measures programs.

Additional funds received:

- $3.0 million released from frozen allotments, in lieu of new appropriations, primarily to fund Canadian Coast Guard security activities at the 2010 Olympic and Paralympic Winter Games.

DFO carried forward $45.9 million of this $67.8 million for spending in future years. Only $21.8 million, approximately 1% of total approved spending authority, remained unspent and was lapsed. This highlights the accuracy of the Department's financial management.

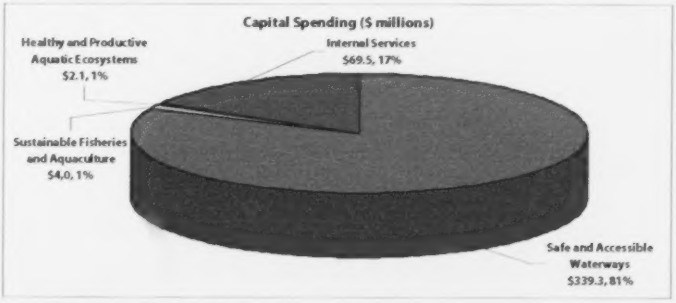
Spending by Strategic Outcome



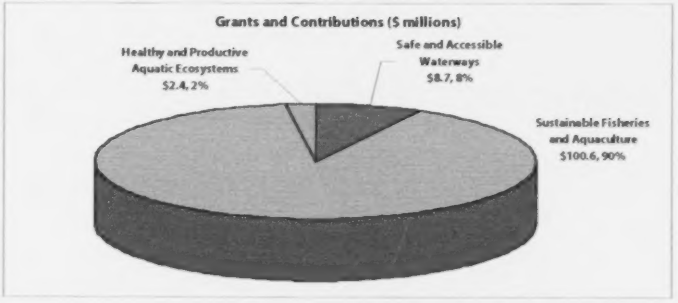
The Department's total actual spending was $1,981.2 million in 2009-10. Spending associated with the Safe and Accessible Waterways strategic outcome accounted for approximately 50% of all spending. Approximately 54% of total departmental spending was due to two program activities: the Canadian Coast Guard (37%) and Fisheries Management (17%). Science Program activities associated with the three strategic outcomes accounted for 12% of the Department's total spending.

Operating expenditures made up 73% of DFO's spending in 2009-10.

Capital spending formed the next largest share (21%) of actual spending. Coast Guard spending on vessel infrastructure accounted for approximately 58% of capital spending. Expenditures on Small Craft Harbours made up another 24%, improvements in DFO real property assets for most of the remainder (16%).


Capital Spending ($ millions)
Healthy and Productive Aquatic Ecosystems $2.1, 1%
Internal Services $69.5, 17%
Sustainable Fisheries and Aquaculture $4.0, 1%
Safe and Accessible Waterways $339.3, 81%

Grants and contributions, or transfer payments, are monetary payments or transfers of goods, services, or assets to third parties. Transfer payments include grants, contributions, and other transfer payments, including those made to other orders of government, international organizations, and First Nations. Grants and contributions account for approximately 6% of the Department's spending.


Grants and Contributions ($ millions)
Healthy and Productive Aquatic Ecosystems $2.4, 2%
Safe and Accessible Waterways $8.7, 8%
Sustainable Fisheries and Aquaculture $100.6, 90%

DFO uses twelve major (over $500,000 per year) transfer payment programs, as well as a number of smaller programs, to leverage its resources and to achieve program and policy objectives associated with its three strategic outcomes. Of these, six account for almost 85% of the Department's grants and contributions.

Canada's Economic Action Plan

Canada's Economic Action Plan (EAP) allocates close to $12 billion in new infrastructure funding over two years to create jobs across Canada and to ensure that Canada emerges from the economic downturn with a more modern and greener infrastructure. DFO received the following funding in 2009-10 as part of the government's EAP.

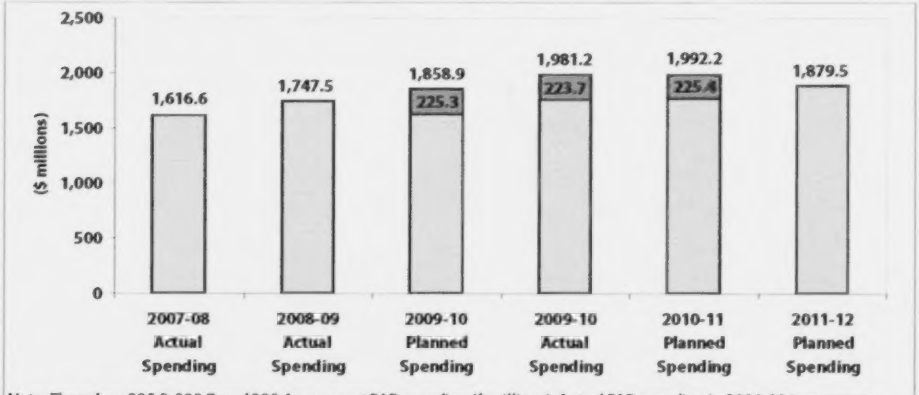
($ millions)

EAP Initiative	Summary of Performance	2009-10		
		Forecast Spending	Actual Spending	Actual Spending, including Contributions to Employee Benefit Plans
Canadian Coast Guard – Shipbuilding and Repair	■ All 2009-10 projects completed as planned ■ Vessel life extension work on *CCGS Bartlett* and *CCGS Limnos* completed by Spring 2010 ■ 30 of the small craft delivered	90.0	81.9	82.1
Small Craft Harbours	■ 240 projects under way ■ 96 small craft harbour projects completed	102.3	112.3*	
Pangnirtung Harbour	■ Two construction contracts were let and equipment mobilized to the site ■ Phase 2 engineering is ongoing	7.0	4.2	116.9
Mackenzie Gas Project	■ Larger portion of the funding used for salaries ■ Detailed analysis of the recommendations in the joint panel review report (released December 2009) was undertaken	4.2	3.6	3.9
Federal Laboratories	■ Construction under way at 69 of the 70 sites ■ 27 projects completed	13.6	13.1	13.1
Federal Contaminated Sites Action Plan	■ 728 assessments completed ■ 39 remediations completed	8.2	8.6	8.7
Total		**225.3**	**223.7**	**224.7**

* Small Craft Harbours spent $8 million in unused funding from Canadian Coast Guard and $2.8 million of unused funding from Pangnirtung Harbour in 2009-10. This funding will be returned to Canadian Coast Guard and Pangnirtung Harbour in 2010-11.

Additional information on Canada's Economic Action Plan is available at http://www.actionplan.gc.ca/eng/index.asp.

Economic Action Plan Spending



Note: The values 225.3, 223.7, and 225.4 represent EAP spending ($ millions). Actual EAP spending in 2009-10 increases to $224.7 million when contributions to employee benefit plans are included.

Section 2 — Analysis of Program Activities by Strategic Outcome

Safe and Accessible Waterways

- Canadian Coast Guard
- Small Craft Harbours
- Science for Safe and Accessible Waterways

Sustainable Fisheries and Aquaculture

- Fisheries and Aquaculture Management
- Science for Sustainable Fisheries and Aquaculture

Healthy and Productive Aquatic Ecosystems

- Oceans Management
- Habitat Management
- Species at Risk Management
- Science for Healthy and Productive Aquatic Ecosystems

Internal Services

Performance Ratings

In this section, each expected result has been assigned an overall performance rating. Each rating refers to the percentage of the expected level of performance achieved in the reporting period (April 1, 2009, through March 31, 2010). The expected level of performance refers to the indicator and target for the expected result identified in the corresponding *Report on Plans and Priorities* (RPP).

The performance ratings are as follows:

If this percentage of expected performance is achieved...	The performance rating is defined as...	The performance rating is shown graphically as...
More than 100%	Exceeded	★★★
100%	Met All	☑☑☑
80 to 99%	Mostly Met	☑☑☐
60 to 79%	Somewhat Met	☑☐☐
Less than 60%	Not Met	☐☐☐

Safe and Accessible Waterways

Strategic Outcome

Safe and Accessible Waterways is about providing access to Canadian waterways and ensuring the overall safety and integrity of Canada's marine infrastructure for the benefit of all Canadians.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
929.2	991.6	997.4	5,192	5,424	232

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Safe and accessible waterways	Public's confidence of the safety and security of marine travel in Canada	90%	*	*

*This result was to be derived from a Transport Canada survey of public opinion. However, because of a moratorium on syndicated studies pending centralized negotiations between Public Works and Government Services Canada and private-sector contractors, CCG was not able to evaluate its 2009-10 performance on this expected result.

Benefits to Canadians

Economic growth in Canada depends heavily on trade and maritime commerce, which relies in turn on secure, sustainable harbours, safe waters, aids to navigation, and reliable and modern hydrographic products and services. Canadian Hydrographic Service (CHS) charts and navigational products have guided mariners safely from port to port since 1883. Unfortunately, maritime accidents do occur, necessitating strong capacities for search and rescue and environmental response by CCG. Demand for increased services and infrastructure, especially in the North, continues to challenge the Coast Guard, Small Craft Harbours, and CHS.

Coast Guard programs and services provide the maritime presence that supports a safe and secure Canada, delivering direct and indirect services to the country's marine sector. Coast Guard supports the maritime economy and facilitates maritime commerce by ensuring the safe and efficient navigation of Canadian waterways. Coast Guard's multi-tasked fleet provides search and rescue services, and it supports DFO's on-water fisheries enforcement and science activities, as well as various other departments and agencies that have a front-line role in maritime security. Northern prosperity and development are fostered by the secure access to our Northern waters provided by Coast Guard icebreakers. In addition, Northern communities benefit from supplies delivered by Coast Guard vessels.

DFO's small craft harbours support the effective operation of the Canadian commercial fishing industry. Many fish harvesters depend on the infrastructure at small craft harbours for access to the fisheries that are their livelihood. Our harbours are often the only visible federal presence in remote communities, and they often provide the only public access to waterways.

CHS provides the hydrographic information needed for safe navigation on Canadian waters. This information includes paper and digital hydrographic charts; tide, current, and water-level information; and forecasts for marine natural hazards. With the exception of products for remote frontier regions, including areas of the Arctic, CHS navigational products and services meet or exceed the standards set by the International Maritime Organization and the International Hydrographic Organization.

Canadian Coast Guard	Program Activity

Description from Main Estimates: The Canadian Coast Guard (CCG) delivers civilian marine services (vessels, aircraft, expertise, personnel and infrastructure) on behalf of other federal government departments or in support of federal agencies and organizations in the achievement of their own specific Government of Canada maritime priorities. CCG provides support to other parts of Fisheries and Oceans Canada (Science and Conservation and Protection), the Department of National Defence, Environment Canada, the Royal Canadian Mounted Police, the Department of Foreign Affairs, and Transport Canada among others.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
701.1	734.2	736.1	4,778	4,959	181

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Safe, economical, and efficient movement of maritime traffic in Canadian waters	CCG has committed to consulting with clients and stakeholders and adjusting its Performance Measurement Framework, where required; as a proxy, CCG will assess its performance against the extent to which all sub-activity targets are met		—	—
Minimize loss of life or injury resulting from marine incidents			—	—
Minimize impacts of ship source oil spills in Canadian waters			—	—
Civilian fleet operationally ready to deliver Government of Canada programs and maintain a federal presence			Government of Canada had access to an operationally ready civilian fleet that maintained a federal presence on Canadian waters	☑☑☑

Our Performance

Coast Guard's focus in 2009-10 continued to be improving client service, effectiveness and efficiency, and management of its people. By following a set of carefully thought-out strategies and priorities, CCG made significant progress on most of its 2009-10 commitments. Further details are available in the *2009-2012 Business Plan* and the *2009-10 Year-end Report*, available at http://www.ccg-gcc.gc.ca/eng/CCG/Publications.

Good progress toward renewing the fleet and ensuring that Canada had access to an operationally ready civilian fleet was made in

Canada's Economic Action Plan ...

Provided $175 million over two years to the Canadian Coast Guard to purchase new vessels and to repair and refit existing vessels. New vessels include 60 small boats, 30 Environmental Response Barges, five 47-foot Search and Rescue Motor Lifeboats, and three Near-shore Fishery Research Vessels. Vessel life extensions are under way on five vessels, giving them another 10 years of service life. Refits are being done on another 35 vessels to increase availability and reliability. In 2009-10, $82 million was spent on EAP initiatives, and all projects were completed as planned.

2009-10. CCG took delivery of a Near-shore Fishery Research Vessel and awarded the construction contract for nine Mid-shore Patrol Vessels. Construction of three Near-shore Fishery Research Vessels remains on track for 2011. Running parallel to the procurement of new vessels were strategic investments in vessel maintenance and vessel life extension; this work ensures CCG has a full complement of operational vessels.

While many Coast Guard activities are preventative and help facilitate maritime safety, situations unfortunately arise that require quick responses to on-water mishaps. When reports of mariners in distress are received, Coast Guard Search and Rescue personnel spring into action. CCG responded to over 8.000 search and rescue cases in 2009-10, to 1,014 marine pollution incidents between January and December 2009.

Moving Forward

- Continue to implement the Fleet Renewal Plan in line with government direction. The Plan envisions a national civilian fleet of vessels and helicopters built along a class structure, capable of multi-tasking, more efficient to operate and maintain, and better able to respond to changing priorities, environmental conditions, and program requirements.
- Develop a federal vision/strategy and a high-level implementation plan for e-Navigation[5] in consultation with other government departments.
- Develop an Arctic Vision and, in unison with DFO, work on integrated Arctic strategies for the Department that will contribute to the Northern Strategy.
- Continue to work toward reducing CCG's environmental footprint by greening acquisitions and operations.

Canadian Coast Guard Sub-Activities

- Aids to Navigation
- Waterways Management
- Marine Communication and Traffic Services
- Icebreaking Services
- Search and Rescue Services
- Environmental Response Services
- Maritime Security
- Fleet Operational Readiness
- Life-cycle Asset Management Services
- Coast Guard College

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

[5] http://www.ccg-gcc.gc.ca/e0004411

Small Craft Harbours | Program Activity

Description from Main Estimates: The Small Craft Harbours Program directly, or indirectly through Harbour Authorities, operates and maintains a network of harbours, critical to the fishing industry, open, safe and in good repair. These harbours are necessary for the effective operation of the commercial fisheries that contribute to the Canadian economy, directly support employment and that indirectly create tens of thousands of jobs, many in rural and isolated parts of Canada.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
192.8	216.9	221.0	133	171	38

Note: The FTE variance is due to incremental FTE use for Economic Action Plan programming in the regions, as well as implementation of the Small Craft Harbours Functional Review that was approved by DFO subsequent to the tabling of the RPP.

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
A network of harbours critical for Canada's commercial fishing industry that is open, safe, and in good repair	Percentage of core fishing harbours with performance ratings of fair, good or very good	70%	71%	★★★
	Percentage of facilities at core fishing harbours in fair, good or very good condition	80%	84%	★★★
	Percentage of core fishing harbours managed by Harbour Authorities that have Environmental Management Plans in place	95%	76%	☑☑☐
Harbour Authorities are able to effectively manage and maintain core commercial fishing harbours	Percentage of existing core fishing harbours managed by Harbour Authorities	90%	91%	★★★
Recreational and non-essential fishing harbours are divested	Percentage of recreational and non-core harbours divested	5%	2.2%	☐☐☐

Small Craft Harbours throughout Canada

As of March 31, 2010, DFO's inventory included 1,155 harbours in all provinces and the Northwest Territories. Of these, 755 were core commercial fishing harbours. The remaining 400 harbours include 170 recreational harbours and 230 non-essential fishing harbours.

Our Performance

In 2009-10, the Small Craft Harbours (SCH) Program made investments in small craft harbours from its regular budget. These harbours are essential to Canada's commercial fishing industry. In addition, SCH carried out significant additional repairs and maintenance at core commercial fishing harbours through the Accelerated Infrastructure Program, funded as part of Canada's Economic Action Plan. SCH also implemented Year 2 of the four-year Divestiture of Non-core Harbours Program.

SCH improved safety and operational efficiency at harbours through dredging, wharf repairs, electrical system upgrades, and general maintenance. As a result, 23% of core fishing harbours have a performance rating of good or very good. This percentage increases to 71% if those with a rating of fair are included. These ratings are consistent with those achieved over the past four years and are expected to improve as Accelerated Infrastructure Program investments are realized.

Canada's Economic Action Plan...

Provided the Small Craft Harbours Program with $200 million over two years to repair, maintain, and dredge over 200 core commercial fishing harbours located across Canada. Of this, $116.5 million was spent on projects in 2009-10. SCH also received $17 million to accelerate the construction of a fishing harbour in Pangnirtung, Nunavut, $4.2 million of which was spent in 2009-10.

At the end of 2009-10, 84% of the facilities (i.e., wharves, breakwaters, slipways, ramps) at core commercial fishing harbours were classified as being in fair or better condition. This percentage has been relatively stable over the past four years, with a small improvement of 1.4% compared to 2008-09.

Since 2008-09, the percentage of core fishing harbours that have Environmental Management Plans (EMPs) in place has increased from 74% to 76%. SCH continues to provide technical support and training to Harbour Authorities to increase their capacity to plan and implement EMPs toward the long-term target of 95% coverage.

In 2009-10, 571 Harbour Authorities managed 688 core fishing harbours, or 91% of all core harbours. While this percentage is similar to that achieved in recent years, it represents an improvement in SCH's efforts to consolidate the management of more core harbours under fewer Harbour Authorities. SCH's long-term target is to see 95% of core fishing harbours managed by Harbour Authorities. However, achieving this goal may be difficult in very small communities, where the recruitment of volunteers can be challenging.

In 2009-10, SCH completed the divestiture of one inactive fishing harbour and seven recreational harbours, for a total of eight divestitures. This represents approximately a 2% reduction in the number of harbours still to be divested. Recognizing that most divestitures involve a multi-year process of negotiation, pre-divestiture repairs, and title transfer, the Divestiture of Non-core Harbours anticipated that most divestitures would occur in the third and fourth years of this four-year program and that there would be relatively few divestitures in the first two years. While the performance for 2009-10 was below the divestiture plan's annualized rate of 5%, the plan is expected to surpass the 5% target for the third and fourth years and thereby achieve the target for the four-year period. After the Divestiture of Non-core Harbours Program ends in 2011-12, SCH will adjust its annual target to reflect the normal funding available for divestitures.

Moving Forward

- Implement Year 2 of the Accelerated Infrastructure Program, and continue the construction of a new small craft harbour in Pangnirtung, Nunavut.
- Implement Year 3 of the four-year Divestiture of Non-core Harbours Program.
- Continue to take steps to strengthen the sustainability of the volunteer-based HAs.

For more information on the Small Craft Harbours Program, refer to http://www.dfo-mpo.gc.ca/sch-ppb/home-accueil-eng.htm.

Science for Safe and Accessible Waterways

Program Activity

Description from Main Estimates: This program provides scientific research, monitoring, advice, products and services and data management to ensure departmental and federal policies, programs, decisions, and regulations associated with safe, secure, and accessible waterways are informed by science advice. The science is provided through a network of research facilities, in collaboration with other government departments, private sector, academia and international organizations.

From Resources ...

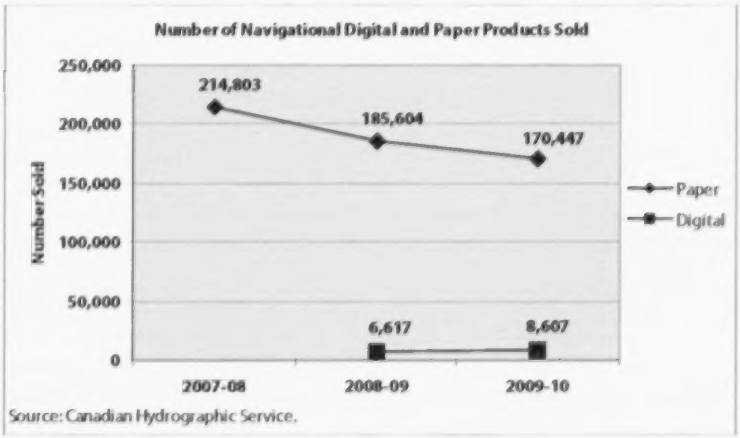
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
35.3	40.5	40.2	281	293	12

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Stakeholders have the information to safely navigate Canada's waterways	Number of navigational digital and paper products sold	Increase digital navigational charts to converge with paper chart production year over year	25% increase in digital products sold and 20% decline in paper products sold	☑☑☑

Our Performance

The way Canadian and international mariners use technology continues to shape the navigational products and services provided by the Canadian Hydrographic Service (CHS), including the way in which those products and services are delivered. Since 2007-08, the overall number of paper hydrographic charts and publications sold has declined by approximately 20%, while the number of digital hydrographic charts and products has increased by almost 25%. On average, CHS expects that the sale of paper products will continue to decline by 5-10% annually but that the sale of digital products will continue to experience large double-digit growth rates. Although the decline in the sale of paper products is attributable largely to the increased use of digital products, the availability of non-official, private-sector products is a factor, as is the production of fewer new editions.



Source: Canadian Hydrographic Service.

Moving Forward

- Continue to embrace advances in technology, such as e-Navigation, to provide mariners with the information needed to safely navigate Canada's waterways.

Science for Safe and Accessible Waterways Sub-Activities

- Navigational Products and Services
- Safety, Security and Sovereignty

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Sustainable Fisheries and Aquaculture

Strategic Outcome

Sustainable Fisheries and Aquaculture is about delivering an integrated fisheries and aquaculture program that is credible, science based, affordable, and effective and contributes to the wealth of Canadians while respecting Aboriginal and treaty rights.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
471.3	516.4	474.5	2,559	2,542	-17

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Sustainable fisheries and aquaculture	Year over year improvement in the management and conservation of major stocks to support sustainable fisheries, as evidenced in the growth of the sustainability index (baseline 5.4 out of 10)	4%	Sustainability index: 5.4*	Unable to assign a rating, given the absence of baseline information

* The data presented is from 2008-09, as the 2009-10 data has not yet been compiled.

Benefits to Canadians

The viability of many of Canada's coastal communities is directly linked to the health of the fisheries and aquaculture industries. DFO is responsible for developing and implementing policies and programs to ensure the sustainable use of Canada's marine ecosystems and for contributing to an economically prosperous fisheries and aquaculture sector. This includes working with Canada's international partners to strengthen management of shared fish stocks that provide important socio-economic benefits to Canadians.

DFO recognizes that Canada's fisheries and aquaculture can be sustainable over the short and long term only if the resource is conserved and fished sustainably and the fishing industry is viable. To this end, DFO has been pursuing a fisheries and aquaculture renewal agenda. This approach involves working with harvesters, processors, communities, provinces, and territories to update and develop fisheries policies. It also involves streamlining the regulatory process for aquaculture governance and updating environmental regulations for aquaculture to create a more effective, efficient, reliable, and transparent environmental management regime. This approach also helps create the conditions necessary for a globally competitive fisheries and aquaculture sector.

In Pacific Region, additional focus is placed on enhancement of the five species of Pacific salmon to support vulnerable salmon stocks and provide harvest opportunities for all harvest sectors (commercial, recreational, and First Nations).

Effective management of our fisheries and the creation of conditions that enable a vibrant and innovative aquaculture industry both require sound scientific knowledge. Having access to and applying such knowledge contributes to the development of the competitive and sustainable industry the Department seeks on behalf of Canadians.

Fisheries and Aquaculture Management — Program Activity

Description from Main Estimates: The overall goal of fisheries and aquaculture management is the conservation of Canada's fisheries resources to contribute to sustainable resource utilization through close collaboration with resource users and stakeholders based on shared stewardship. Fisheries and Aquaculture Management is responsible for international fisheries conservation negotiations and relations, shared management of interception fisheries in international waters, management of the Aboriginal, commercial, recreational fishing in the coastal waters of Canada's three oceans and creating the conditions for a vibrant and innovative aquaculture industry.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
331.6	366.2	339.6	1,554	1,599	45

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Sustainable fisheries and aquaculture	Year over year improvement in the management and conservation of stocks to support sustainable fisheries, as evidenced in the growth of the sustainability index	4%	Sustainability index: 5.4*	Unable to assign a rating, given the absence of baseline information

* The data presented is from 2008-09, as the 2009-10 data has not yet been compiled. No baseline data is available from 2007-08. The 2008-09 result will set the baseline.

Our Performance

The sustainability index is derived from the results of the Fishery Checklist. The Fishery Checklist is made up of 106 questions designed to assess the overall sustainability of a fishery or stock. Each fishery receives a score out of 10. The sustainability index is a national roll-up of all scores for all fisheries assessed. Based on results from 2008-09 data, Canada has achieved a medium level of sustainability. Early indications from the 2009-10 data suggest positive results. Three indicators in the sustainability index — the conservation of major stocks, stakeholder participation in harvest decision-making processes, and stable access indicators — all show slight increases from the 2008-09 benchmarks.

An evaluation of the Salmonid Enhancement Program was completed in 2009-10 (see http://www.dfo-mpo.gc.ca/ae-ve/evaluations/09-10/6b105-eng.htm)

Increases in the sustainability index demonstrate that improvements are occurring in any or all of the following areas: resource management, the quality and availability of the scientific information used to make decisions, and enforcement and compliance.

Moving Forward

- Develop a process for evaluating stakeholder engagement processes to improve stakeholder participation (and thus the participation index).
- Continue to work with internal and external partners to develop a draft bycatch policy and to complete the framework for the analysis of ecological risk required for the implementation of the policy on sensitive benthic areas.
- Implement Sustainable Fisheries Framework policies in all major Canadian stocks.

- Complete the commitments agreed to as part of DFO's evaluation of the Salmonid Enhancement Program (http://www.dfo-mpo.gc.ca/ae-ve/evaluations/09-10/6b105-eng.htm).
- Continue to implement the recommendations of the Compliance Review and Modernization of the Conservation and Protection Program.
- Implement the new federal aquaculture regime in British Columbia, national aquaculture strategic action plans, and sustainability reporting for the aquaculture sector.
- Continue efforts to strengthen international fisheries management, with particular emphasis on ensuring better management decisions and compliance in tuna-focused Regional Fisheries Management Organizations.
- Continue the National Licensing Policy Review to promote economic prosperity and sustainability.
- Continue to implement Canada's new Catch Certification Program, as announced in Budget 2010.

Fisheries and Aquaculture Management Sub-Activities

- Resource Management
- Aboriginal Policy and Governance
- Salmonid Enhancement Program
- International Fisheries Conservation
- Conservation and Protection
- Aquaculture

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Science for Sustainable Fisheries and Aquaculture

Program Activity

Description from Main Estimates: Provision of advice and recommendations based on scientific research and monitoring, as well as the provision of products and services and the management of data on Canada's oceans and resources. This ensures departmental and federal policies, programs, decisions, and regulations associated with sustainable fisheries and aquaculture are informed by scientific knowledge. The science is provided through a network of research facilities, in collaboration with other government departments, private sector, academia and international organizations.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
139.7	150.2	134.9	1,006	943	-63

Note: The variance in FTEs is due to attrition and delays in staffing.

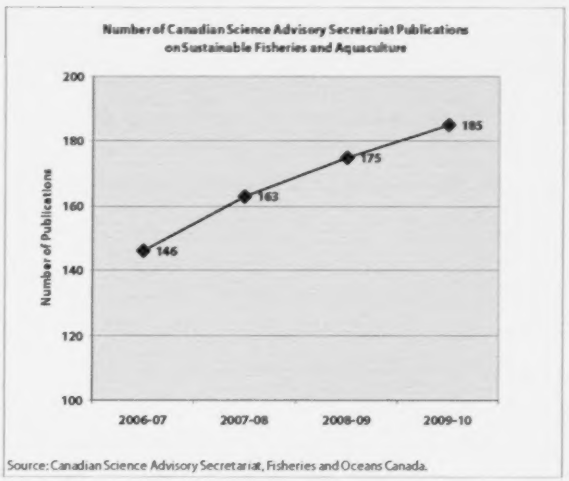
To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Comprehensive understanding of living aquatic resources	Number of requests for science advice on living aquatic resources	Complete 90% of requests for science advice on living aquatic resources that senior management approves	Completed approximately 82% of the requests for science advice on living aquatic resources	☑☑☐
	Number of Canadian Science Advisory Secretariat (CSAS) publications on living aquatic resources that are posted on the DFO website	Maintain 5-year average	Produced 185 CSAS publications that are posted on the DFO website; this is approximately 10% above the 4-year average of 167	★★★
	Number of publicly available products on living aquatic resources completed by DFO Science	Maintain 5-year average	Produced 71 publicly available publications; this is slightly below the 5-year average of 72	☑☑☐

Our Performance

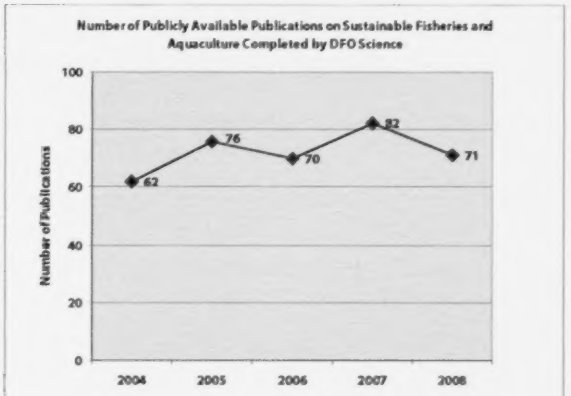
In 2009-10, the Science Program completed approximately 82% of the requests for science advice on living aquatic resources. This is 8% below the target of 90%. The majority of the advisory requests not serviced were associated with the Fisheries Resources sub-activity. In most cases, these requests were removed from the approved 2009-10 advisory schedule or deferred for consideration in the next fiscal year to accommodate higher priority requests.

The Canadian Science Advisory Secretariat (CSAS) coordinates the peer review of scientific issues for the Department. The Department continues to increase productivity by refining the CSAS process and adopting a risk-based approach to the prioritization of requests for advice. In 2009-10, CSAS produced 185 publications (science advisory reports, research documents, proceedings, and science responses) in response to advisory needs identified by internal clients. These publications are available at http://www.dfo-mpo.gc.ca/csas/Csas/Home-Accueil_e.htm. This reflects a 20% increase since 2006-07 and is approximately 10% above the four-year average of 167 publications.



Source: Canadian Science Advisory Secretariat, Fisheries and Oceans Canada.

In 2008, DFO Science produced 71 publicly available publications on sustainable fisheries and aquaculture; this is slightly below the five-year average of 72. This represents 28% of overall Canadian publications. In collaboration with other key players in Canada's research community (e.g., universities and the private sector), DFO continues to make a significant contribution to improving our understanding of sustainable fisheries and aquaculture.



Source: Science Metrix Bibliometric Data on Research on Aquatic Ecosystems and Sustainable Fisheries and Aquaculture at DFO - 2009 Update.

Moving Forward

- Continue to improve the way the Program performs and delivers science.

Science for Sustainable Fisheries and Aquaculture Sub-Activities

- Fisheries Resources
- Aquatic Invasive Species
- Aquatic Animal Health
- Sustainable Aquaculture Science
- Genomics and Biotechnology
- Science Renewal

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Healthy and Productive Aquatic Ecosystems

Strategic Outcome

Healthy and Productive Aquatic Ecosystems ensures the sustainable development and integrated management of resources in or around Canada's aquatic environment through oceans and fish habitat management. It also involves carrying out the critical science and fisheries management activities that support these two programs.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
146.4	162.3	160.6	1,163	1,179	16

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Sustainable development and integrated management of resources in or around Canada's aquatic environment through oceans and fish habitat management	Number of policies developed and implemented that serve the public interest via the sustainable development of Canada's oceans and freshwater resources	18 Habitat policies, 5 Species at Risk policies	18 Habitat policies, 5 Species at Risk policies	☑☑☑
	Number of programs in place that serve the public interest via the sustainable development of Canada's oceans and freshwater resources	8 Habitat programs, 3 Oceans programs, 1 Species at Risk program	8 Habitat programs, 3 Oceans programs, 1 Species at Risk program	☑☑☑
	Number of formal partnership arrangements established that serve the public interest via the management of human activities in and around aquatic ecosystems	18 national-level partnerships on the management of fish habitat, 1 Oceans management partnership, 4 Species at Risk management partnerships	9 partnerships on management of fish habitat,* 1 Oceans management partnership, 0 Species at Risk management partnerships	☐☐☐

* Negotiations are in the final stages for bilateral agreements with Prince Edward Island, Ontario, Alberta, the Northwest Territories, and the Yukon. Management of one existing interdepartmental partnership with Environment Canada and Parks Canada Agency, as well as bilateral agreements with British Columbia (2005), Quebec (2007), and Saskatchewan (2008), is ongoing.

Benefits to Canadians

Managing the development and protection of marine and freshwater environments in support of healthy and productive aquatic ecosystems involves the protection, conservation, and recovery of freshwater and marine ecosystems and aquatic species. Sustainable development is the principle that guides this strategic outcome.

Oceans and freshwater biodiversity, resources, and habitat are an important part of Canada's environmental, social, cultural, and economic fabric. Marine activities must be managed sustainably to support aquatic environments and ecosystems. Effective measures to protect and restore the health and productivity of our aquatic ecosystems, habitats, and species require sound scientific knowledge.

Canada is taking a global leadership role by advancing the agenda to protect high seas ecosystems and biodiversity in a manner that reflects domestic interests and approaches. At the same time, the

development of effective international policies can have a positive effect on Canada's management of its oceans sector.

Oceans Management	Program Activity

Description from Main Estimates: Oceans Management involves the conservation and sustainable use of Canada's oceans in collaboration with other levels of government, Aboriginal organizations and other non-government stakeholders through the development and implementation of objectives-based integrated oceans management plans and the application of marine conservation tools. Modern oceans management arrangements deal with a number of challenges including oceans health, marine habitat loss, declining biodiversity, growing demands for access to ocean resources and regulatory and jurisdictional complexities.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
16.4	17.4	15.8	117	115	-2

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Canada's ocean areas managed through adoption of integrated management approaches	Estimated percentage of Canadian ocean area with integrated management structures	31% (by January 1, 2035)	31%	☑☑☑
Coordinated and effective oceans governance	Percentage of Large Ocean Management Areas with inter-jurisdictional Regional Implementation Committees or equivalents	100%	100%	☑☑☑
	Percentage of Large Ocean Management Areas with Stakeholders Advisory Committees or equivalent	100%	60%	☑☐☐

Our Performance

DFO is committed to the integrated management of Canada's Large Oceans Management Areas (LOMAs). To date, two out of five existing LOMAs (Eastern Scotian Shelf and Beaufort Sea) have completed an integrated management plan and are implementing it through work plans. The other three LOMAs are conducting preparatory work on the development of their integrated management plans.

All LOMAs now have implementation committees in place. These committees bring together government regulators representing the regions involved in the development and implementation of integrated management plans. The multi-jursidicational nature of LOMAs means that their development and implementation takes time. Many stakeholders are involved in integrated management plans, and concerns raised must be addressed before moving forward.

Three of the five LOMAs have Stakeholders Advisory Committees or equivalents in place, and the other two are planning their consultations with stakeholders. These committees facilitate the identification of

priorities and help determine the effects certain oceans activities might have on resource users; engaging stakeholders from the start helps resolve challenges at the beginning of the process.

Moving Forward

- Continue to implement DFO's part of the Government of Canada's Health of the Oceans agenda.

An evaluation of Oceans Management is planned for 2010-11

Oceans Management Sub-Activities

- Integrated Oceans Management
- Marine Conservation Tools

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Habitat Management

Program Activity

Description from Main Estimates: In collaboration with others, Habitat Management involves conserving and protecting fish and fish habitat from the impacts of activities occurring in and around fresh and marine fish-bearing waters, and improving (restoring and developing) fish habitat through the administration of the habitat protection provisions of the *Fisheries Act*, providing advice on related provisions of the Act, and the application of non-regulatory activities. It also involves conducting environmental assessments prior to regulatory decisions listed in the Law List Regulations of the *Canadian Environmental Assessment Act* and participating in other environmental assessment regimes. These activities are performed in a manner consistent with the *Species at Risk Act*; the Policy for the Management of Fish Habitat and other operational policies; consultation with Aboriginal groups; the goals and principles of sustainable development; and the policies and priorities of the federal government.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
57.7	65.0	62.0	563	483	-80

Note: The variance in FTEs can be explained by reallocation of FTEs between Program Activities within the Healthy and Productive Aquatic Ecosystems Strategic Outcome during 2009-10. The overall variance for the entire Healthy and Productive Aquatic Ecosystems Strategic Outcome is less than 2%.

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Healthy and productive fish habitat available to sustain the production of fish species and populations that Canadians value	Percentage of *Fisheries Act* authorizations with compensation plans to offset the loss of fish habitat as a result of development projects	100%	88%	☑☑☐
	Percentage of inspected works and undertakings that conform with terms and conditions of operational statements, formal advice in writing, and *Fisheries Act* authorizations	100%	91%	☑☑☐

Our Performance

In 2009-10, the Habitat Management Program continued to roll out Habitat Compliance Monitoring, a key initiative aimed at improving the Program's ability to measure and report on its performance. Work to refine the data collected by field staff to ensure its consistency and integrity is ongoing.

In 2009-10, 91% of inspected works and undertakings conformed to the terms and conditions of operational statements, formal advice in writing, and *Fisheries Act* authorizations; this represents a 27% increase from 2008-09. While a portion of this change may result from an improvement in the compliance of inspected works and undertakings with relevant terms and conditions, a large portion of this difference is due to a change in methodology.

Canada's Economic Action Plan...

Provided funding in support of environmental assessments, regulatory coordination, science, and Aboriginal consultations related to the Mackenzie Gas Project. DFO received $4.2 million of this funding, $3.9 million of which was spent in 2009-10.

Compensation plans are an important first step in determining whether harm to fish and fish habitat is offset. However, only some of the *Fisheries Act* authorizations under section 35(2) require these plans. The Habitat Management Program, in collaboration with DFO Science, is therefore developing more accurate program performance measures.

An evaluation of the Aboriginal Inland Habitat Program was completed in 2008-09 (see http://www.dfo-mpo.gc.ca/ae-ve/evaluations/09-10/6b104-eng.htm)

Moving Forward

- Develop a more robust performance measurement framework.
- Continue to make the regulatory approval and review process more effective, efficient, transparent, timely, risk-based, and results-focused.
- Continue with Program improvements currently under way, including improvements DFO committed to in response to the recommendations of the Commissioner of the Environment and Sustainable Development.[6]

Habitat Management Sub-Activities

- Conservation and Protection of Fish Habitat
- Environmental Assessments
- Habitat Program Services
- Aboriginal Inland Habitat Program

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

[6] http://www.oag-bvg.gc.ca/internet/English/parl_cesd_200905_01_e_32511.html

Species at Risk Management

Program Activity

Description from Main Estimates: Aquatic species at risk are managed to provide for the recovery of extirpated, endangered and threatened species; and the management of special concerned species to prevent them becoming at risk. This program activity involves developing recovery strategies, action plans and management plans for all aquatic species; promoting recovery implementation and monitoring of marine and anadromous (moving between fresh and salt water) species over which the federal government has exclusive jurisdiction; and promoting freshwater species for which certain provinces have specific delegated responsibilities related to fisheries management through regulations under the *Fisheries Act*.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
16.9	18.6	21.8	34	130	97

Note: The variance in FTEs can be explained by reallocation of FTEs between Program Activities within the Healthy and Productive Aquatic Ecosystems Strategic Outcome during 2009-10. The overall variance for the entire Healthy and Productive Aquatic Ecosystems Strategic Outcome is less than 2%.

To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Conservation and protection of aquatic species at risk in Canada	Percentage of recovery strategies, recovery action plans, and management plans developed within the legislated timelines, and in conformity with mandated requirements while addressing the backlog	60%	42 of 67 recovery strategies, 9 of 16 management plans, and 0 of the 20 action plans due in 2009-10 or previous years were posted to the Species at Risk Public Registry	☑☑☐

Our Performance

The Department has taken a number of steps to improve its ability to meet its legal obligations under the *Species at Risk Act* (SARA); however, the target of developing 60% of recovery strategies, recovery action plans, and management plans within the legislated timelines and in conformity with mandated requirements has not yet been met. Approximately 20% of recovery strategies, 50% of management plans, and 0% of action plans due in 2009-10 or previous years have been posted to the Species at Risk Public Registry.

Moving Forward

- Continue to streamline internal processes and provide operational guidance that features national coherence and consistency.
- Continue to review and revise existing processes to improve coordination, focusing on items that constitute a legal obligation for the Department.
- Continue to develop operational guidance on high-priority issues that will improve the timeliness of recovery strategies, action plans, and management plans.

An evaluation of Species at Risk Management is planned for 2010-11

Species at Risk Management Sub-Activities

- Protection of Species at Risk
- Recovery of Species at Risk
- Monitoring and Evaluation

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Science for Healthy and Productive Aquatic Ecosystems

Program Activity

Description from Main Estimates: This program provides research, monitoring, advice, products and services and data management to ensure departmental and federal policies, programs, decisions, and regulations associated with the integrated management of Canada's oceans and fish habitat resources are informed by science advice. The science is undertaken through a network of research facilities, in collaboration with other government departments, private sector, academia and international organizations.

From Resources ...

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
55.4	61.4	60.9	450	452	2

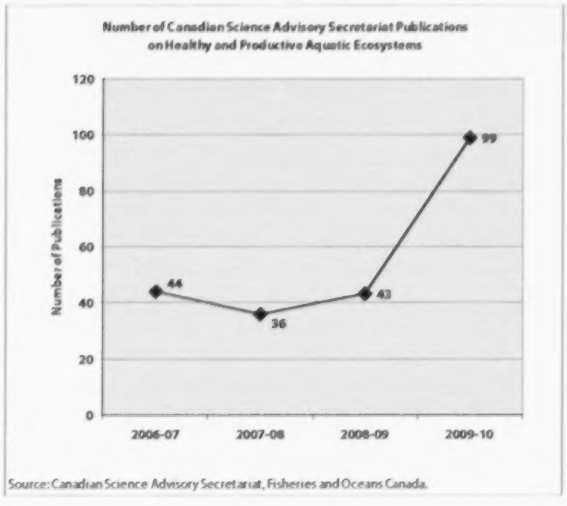
To Results ...

Expected Result	Performance Indicator	Target	Result Achieved	Performance Rating
Comprehensive understanding of aquatic ecosystem function	Number of requests for science advice on aquatic ecosystems	Complete 90% of requests for science advice on aquatic ecosystems that senior management approves	Completed approximately 71% of the requests for science advice on healthy and productive aquatic ecosystems	☑☑☐
	Number of Canadian Science Advisory Secretariat (CSAS) publications on aquatic ecosystems that are posted on the DFO website	Maintain 5-year average	Posted 99 CSAS publications on the DFO website; this is approximately 55% above the 4-year average of 55	★★★
	Number of publicly available products on aquatic ecosystems completed by DFO Science	Maintain 5-year average	Produced 82 publicly available publications; this is approximately 20% above the 5-year average of 65	★★★

Our Performance

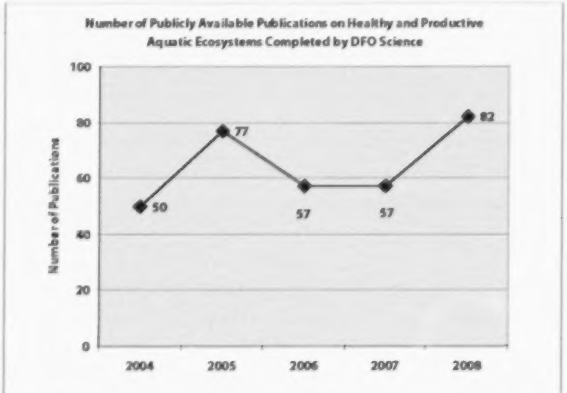
In 2009-10, the Science Program completed approximately 71% of the requests it received for advice on aquatic ecosystems. This is almost 20% below the target of 90%. The majority of requests not serviced were associated with two program activities: Species at Risk and Aquatic Ecosystems. In recent years, the demand for advice on these two areas has exceeded the capacity of the Science Program to supply timely advice.

Canadian Science Advisory Secretariat (CSAS) coordinates the peer review of scientific issues for DFO. The Department continues to increase productivity by refining the CSAS process and by adopting a risk-based approach to the prioritization of requests for advice. In 2009-10, CSAS produced and posted on the Internet 99 publications (science advisory reports, research documents, proceedings, and science responses) in response to advisory needs identified by internal clients. These publications are available at http://www.dfo-mpo.gc.ca/csas/Csas/Home-Accueil_e.htm. This reflects a 56% increase since 2006-07 and is approximately 55% above the four-year average of 55 publications. The increase is due, in part, to reporting publications related to species at risk under the Science for Healthy and Productive Aquatic Ecosystems program activity; in previous years, they were reported under Science for Sustainable Fisheries and Aquaculture.



Source: Canadian Science Advisory Secretariat, Fisheries and Oceans Canada.

In 2008, DFO Science produced 82 publicly available publications on healthy and productive aquatic ecosystems; this is approximately 25% higher than the Department's five-year average of 65. In collaboration with other key players in Canada's research community (e.g., universities and the private sector), DFO continues to make a significant contribution to improving our understanding of healthy and productive aquatic ecosystems.



Source: Science Metrix Bibliometric Data on Research on Aquatic Ecosystems and Sustainable Fisheries and Aquaculture at DFO - 2009 Update.

Moving Forward

- Continue to improve the way science is performed and delivered, with the overarching objective of providing timely and relevant science advice in support of the decision-making and policy-development requirements associated with healthy and productive aquatic ecosystems.

Science for Healthy and Productive Aquatic Ecosystems Sub-Activities

- Fish Habitat Science
- Aquatic Ecosystems Science
- Ocean Climate
- Species at Risk

Performance information for the above sub-activities is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Internal Services — Program Activity

Description from Main Estimates: Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Resources

Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Variance
311.9	378.8	348.8	1,898	1,885	-13

Our Performance

Each year, Treasury Board Secretariat (TBS) assesses the management performance of government departments through the Management Accountability Framework (http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp). In Round VII of the Management Accountability Framework (MAF) assessment, DFO achieved an acceptable rating for 11 of the 14 areas of management assessed. These areas of management range from values and ethics, to people management, to project management. DFO's performance has improved in three areas since Round VI: corporate performance framework, information management, and security and business continuity. TBS congratulated DFO for continued progress in implementing risk management in the Department and for making improvements in asset management. Although financial management retained its acceptable rating, some areas of weakness were identified. TBS identified two areas for particular focus over the next year: evaluation and citizen-focused service.

Canada's Economic Action Plan...

- *Provided funding to address deferred maintenance by replacing, repairing, and upgrading building components in major and minor laboratory facilities to support research programs and activities. DFO received $13.6 million for this initiative, $13.1 million of which was spent in 2009-10. This initiative is led by Treasury Board Secretariat.*
- *Provided funding to conduct site assessment and remediation/risk management activities on federal contaminated sites under the accelerated Federal Contaminated Sites Action Plan. DFO received $8.2 million for this initiative and spent $8.6 million in 2009-10. This initiative is led by Environment Canada.*

Moving Forward

- In response to its MAF assessment, DFO has developed work plans to address all the recommendations and opportunities identified by TBS. In accordance with TBS's request, DFO will be focusing on evaluation and citizen-focused service.
- In the area of evaluation, the lessons learned from earlier evaluations and the processes developed for more recent evaluations are being carried forward, and additional improvements are being made.
- Within DFO, service to citizens is very important, with each program developing and maintaining strong relationships with its clients and stakeholders. During the coming year, DFO will be working on sharing the results of consultations with clients and on developing department-wide service standards for its programs.

Section 3 — Supplementary Information

Financial Highlights

($ thousands)

Condensed Statement of Financial Position (for the year ended March 31, 2010)	% Change	2009-10	2008-09
ASSETS			
Financial Assets	9.5%	311,022	283,926
Non-financial Assets	6.7%	2,453,547	2,300,375
TOTAL	7.0%	2,764,569	2,584,301
LIABILITIES			
Total Liabilities	7.0%	627,943	586,906
EQUITY			
Total Equity	7.0%	2,136,626	1,997,395
TOTAL	7.0%	**2,764,569**	**2,584,301**

Condensed Statement of Operations (for the year ended March 31, 2010)	% Change	2009-10	2008-09
EXPENSES			
Total Expenses	12.0%	1,985,815	1,773,155
REVENUES			
Total Revenues	2.2%	99,268	97,174
NET COST OF OPERATIONS	12.6%	**1,886,547**	**1,675,981**

Highlights of DFO's Financial Statements

DFO's annual financial statements are prepared in accordance with Treasury Board accounting policies, which are based on Canadian generally accepted accounting principles. These financial statements demonstrate the accountability of DFO for the resources provided ($2,049 million provided by the government in 2009-10, of which $1,981 million was spent to achieve results for Canadians).

Under Canada's Economic Action Plan (EAP), Fisheries and Oceans is investing $343 million over two years in projects and programs such as Small Crafts Harbours, Canadian Coast Guard, and laboratories and science facilities. The EAP caused a significant but temporary increase in activity for the Department in 2009-10 that will continue in 2010-11. Much of the investment under this initiative is reflected in DFO's Statement of Financial Position for 2009-10:

- Total assets of $2,765 million represented an increase of $180 million (7%) from 2008-09.
- Financial assets and equity have been restated as a result of early adoption of Treasury Board Accounting Standard 1.2. The net effect is an increase of $26.5 million in the Due from Consolidated Revenue Fund, representing DFO's entitlement to draw from the Consolidated Revenue Fund in the future without further charges against its authorities.
- Tangible capital assets accounted for 89% of departmental total assets.

- Acquisitions of tangible capital assets totalled $348 million, of which $165 million was from EAP funding.
- Total liabilities were $628 million, an increase of $41.0 million (7%) from 2008-09.
- Accounts payable and accrued liabilities increased by $26.4 million, mainly because of EAP-funded projects.
- Other liabilities increased by $16.8 million, principally from research project deposits.

For more detailed information, see DFO's financial statements at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm.

Supplementary Tables

The following tables are available at http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp:

- Sources of Respendable and Non-Respendable Revenue;
- User Fees;
- Status Report on Projects Operating with Specific Treasury Board Approval;
- Status Report on Major Crown Projects;
- Details on Transfer Payment Programs;
- Up-front Multi-year Funding;
- Horizontal Initiatives;
- Green Procurement;
- Response to Parliamentary Committees and External Audits; and
- Internal Audits and Evaluations.

Other Items of Interest

Additional information on the following topics is available at http://www.dfo-mpo.gc.ca/dpr-rmr/2009-10/index-eng.htm:

- Awards and Recognition;
- DFO on the Job;
- Organizational Structure;
- Performance Information for Program Sub-activities and Sub-sub-activities; and
- Regional Contributions to Strategic Outcomes.

Contact for further information

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